

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO

IN RE:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD OF PUERTO  
RICO

As a representative of the  
COMMONWEALTH OF PUERTO  
RICO<sup>1</sup>

CASE NO. 17-BK-3283 (LTS)

PETITION UNDER TITLE III OF THE PUERTO  
RICO OVERSIGHT, MANAGEMENT AND  
ECONOMIC STABILITY ACT  
(JOINTLY ADMINISTERED)

**URGENT INFORMATIVE MOTION OF THE SPEAKER OF THE  
PUERTO RICO HOUSE OF REPRESENTATIVES REGARDING  
DISCUSSIONS BETWEEN LEGISLATIVE AND EXECUTIVE  
LEADERSHIP**

TO THE HONORABLE COURT:

COMES NOW the Hon. Rafael Hernández-Montañez, in his official capacity as Speaker of the Puerto Rico House of Representatives, through the undersigned counsels and very respectfully **SETS FORTH** and **PRAYS**:

The instant case is scheduled for an emergency status conference on the status of House Bill 1003, which would enable the issuance of the bonds contemplated in the

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17- BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17- BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

latest version of the proposed debt adjustment plan submitted for confirmation by the Financial Oversight and Management Board (hereinafter referred to as the “FOMB” or the “Board”). Given the urgency of this matter, yesterday afternoon legislative and executive leadership<sup>2</sup> met in Dorado and later in Caguas and engaged in extensive discussion regarding language that would make HB 1003 amenable to approval on both Houses.

Attached hereto is a document signed by all the leaders present at these meetings. Needless to say that we are aware that under the Court’s Civil Local Rule 5(c) requires that original Spanish language documents be accompanied by a certified translation, we are filing this attachment to show that it bears the signature of those who have committed to whip the necessary votes for approval if the proposed language is incorporated into the bill. If and when a final language is agreed upon and approved, a certified translation will expeditiously make its way into the record in this case.

While we are willing and able to discuss the specific language agreed to the parties during today’s hearing, we can summarize the proposed amendments are added guarantees regarding the freeze of further reductions in pension benefits as a condition precedent to the issuance of new bond obligations which will be valid only as long as the condition persists. More concretely, added language to Article 104 of the bill (formerly Article 105) conditions the issuance and validity of the new bonds to the FOMB filing an amended proposed debt restructuring plan that eliminates the concept of “Monthly Benefit Modification” as defined in the current plan. Similarly, Articles 603

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<sup>2</sup> Represented by the Secretary of State, Mr. Omar Marrero.

and 605 are amended to make it crystal clear that the annulment, invalidation or a decree of unconstitutionality of the no-reduction-to-pensions provisions of the law will automatically become unenforceable and that the act would cease to be in effect (with the corresponding nullification of new bond obligations) if at any time a reduction in pension benefits is imposed through the confirmed plan or in the process of restructuring the debt. Finally, a new Article 107 was added, which incorporates language regarding the official public policy being adopted which was already vetted by the FOMB as part of the statement of legislative intent, with the addition of a sentence making everything contingent upon the availability of funds and consistency with the Fiscal Plan.

**WHEREFORE** it is respectfully requested from this Honorable Court to take knowledge of the above stated.

#### **CERTIFICATE OF SERVICE**

The undersigned counsel hereby certifies that the instant document has been filed with the Court's CM/ECF System, which will simultaneously serve notice on all counsels of record, to their registered e-mail addresses. Any non-registered attorneys and/or parties will be served via regular mail.

In San Juan, Puerto Rico this 25<sup>th</sup> day of October, 2021.

**RESPECTFULLY SUBMITTED,**

**M.L. & R.E. LAW FIRM**

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